

## ADVANCE AGREEMENT

1. The Advance Agreement (AA) between the government and a contractor specifies that the contractor will use an effective Earned Value Management System (EVMS) on the current as well as future contracts of a similar type. The AA documents the government's intent to minimize system reviews. The AA also documents a contractor's corporate commitment to continue to use and maintain the EVMS for current and future government contracts.
2. The AA is executed based on prior system validation or following the successful completion of an Initial Compliance Review and remains in effect indefinitely. The AA will also be used by DOD to provide continued recognition of a contractor's system as complying with the EVMS System Criteria. Finally, an AA should be used to provide a contractor with DOD recognition of a successful self-evaluation systems review. Once executed, the AA may be used by the contractor to demonstrate that they fulfill the requirements for an Earned Value Management System as required by DFARS 252.234-7001.
3. The AA is signed by the cognizant Administrative Contracting Officer (ACO) and a contractor representative at a commensurate level. For example, if the contractor uses a common EVMS throughout a Division, the appropriate contractor representative may be the Division Manager. The corresponding government official in that case would be the Divisional ACO (DACO). Any amendments or changes to the AA, once executed, must be made through the cognizant ACO.
4. A sample AA and a Joint Surveillance Program outline are provided below, **as guides**. In addition to the guidance the following areas should be considered for inclusion in the AA:
  - (a) Applicable contractor and government policy and directive references;
  - (b) Reference to contractor and government surveillance plans and guidance;
  - (c) The process to follow for system changes;
  - (d) Internal coordination requirements for conducting continuing surveillance; and
  - (e) Documentation and reporting requirements.
  - (f) Documenting "rules of engagement" for resolution of areas of concern that are found through EVMS surveillance.

**Neither of the following sample documents are intended to be applied exactly as shown but should be modified to fit the contractor, program and CAO/DCAA requirements and capabilities.**

**Advance Agreement  
between  
(Cognizant CAO's name)  
and  
(Contractor's name, division, location)  
  
Implementation and Maintenance  
of  
Earned Value Management Systems**

This document establishes an Advance Agreement between the *[name of the cognizant CAO]* and *[contractor name, division, location]* regarding the implementation and maintenance of an Earned Value Management System. This agreement specifically addresses *[contractor name, division, location]* use of the *[name of the contractor's EVMS]* to meet the Earned Value Management System Criteria established by the Department of Defense Regulation 5000.2R, Appendix VI.

Whereas, the contractor has demonstrated certain management systems and subsystems as identified in *[Contractor Document that identifies the contractor's EVMS commitment dated (date)]*, and

**(NOTE: FOR CONTRACTOR SELF-EVALUATIONS THE FOLLOWING PHRASE DOES NOT APPLY)**

The *[Government component]*, by letter dated *[date]*, did recognize the compliance of such systems and subsystems with the EVMS Criteria, then

THE *[NAME OF THE COGNIZANT CAO]* AND *[CONTRACTOR NAME, DIVISION, LOCATION]* AGREE THAT:

(1) Such systems and subsystems which have been recognized as indicated above, together with approved changes thereto, shall apply to future *[specify type of contract; for example, RDT&E, production or both]* contracts, which require compliance with Earned Value Management System Criteria, entered into between the contractor and the Government.

(2) As a result of this agreement *[contractor name, division, location]* agrees to maintain the *[name of the contractor's EVMS]*, as an integrated management system, through an internal surveillance program. *[Other means; e.g. Joint surveillance between the CAO, PM, and the contractor, are acceptable but should be specifically identified.]*

**(NOTE: THE FOLLOWING OPTIONAL LANGUAGE IS FOR CAOs USING THE PRIOR-  
APPROVAL WAIVER FOR EVMS SYSTEM CHANGES)**

(3) The *[Cognizant ACO]*, under the authority of DFARS clause 252.234-7001[*date*], agrees to waive the pre-approval requirements for system changes as provided in paragraph [ ] of DFARS clause 252.234-7001 [*date*]. Pursuant to DFARS clause 252.234-7001[*date*] *[CONTRACTOR NAME, DIVISION, LOCATION]* is required to disclose changes to the *[name of*

*the contractor's EVMS], to [Cognizant ACO], at least two weeks prior to implementation. This waiver applies to all contracts, both current and future, which contain DFARS clause 252.234-7001 [date].*

This Advance Agreement will remain in force indefinitely, subject to modification by mutual agreement or termination by either party.

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Corporate/Division Administrative Contracting Officer (CACO/DACO)

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Contractor Vice President and General Manager  
(or equivalent)